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In The

# Supreme Court of the United States

October Term, 1997

TRINITY INDUSTRIES, INC.,

*Petitioner,*

v.

JOHNSTOWN AMERICA CORPORATION AND JAC PATENT CORPORATION,

*Respondents.*

**On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit**

## REPLY BRIEF IN SUPPORT OF PETITION

LARRY D. CARLSON*
ROBERT M. CHIAVIELLO, JR.
DAVID G. WILLE
BAKER & BOTTS, L.L.P.
2001 Ross Avenue
Dallas, Texas 75201-2980
Telephone: (214) 953-6500
*Attorneys for Petitioner*

**Counsel of Record*

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OR CALL COLLECT (402) 342-2831

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## INTRODUCTION

Trinity Industries Inc. (Trinity) requests that its Petition be granted. Respondents Johnstown America Corp. and JAC Patent Corp. (collectively, JAC) have not challenged the majority of the arguments in favor of granting Trinity's Petition. In fact, JAC has resorted to trying to mask its weak position by accusing Trinity of misleading this Court. Like JAC's position on the merits, this accusation has scant support.

The issue in this case is whether, in the context of a reversal of a judgment with which the appellee was satisfied prior to reversal, the appellee waives the right to seek remand on an issue affected by the reversal by failing to file (or pursue) a conditional cross-appeal. The Federal Circuit says yes, finding a waiver in this case. The majority of Circuit Courts addressing the issue and the reasoning of prior decisions of this Court say no. JAC does not analyze the reasoning of other courts that have addressed this issue. Instead, JAC argues that the Federal Circuit should be able to adopt its own rule, apparently one in conflict with this Court's prior decisions.

JAC does not dispute that the issue is governed by the decisions of this Court, rather than by statute or rule. (Pet. at 7-8, 11-13). JAC does not discuss or even cite this Court's prior decision in *Bowen v. United States Postal Service*, 459 U.S. 212 (1983), a case whose reasoning directly conflicts with the holding of the Federal Circuit in this case as previously explained. (Pet. at 12-13). JAC does not address, let alone refute, any of the sound policy arguments offered by Trinity in support of the view of the majority of the other regional circuits and the view

expressed in the reasoning of prior decisions of this Court, a view directly at odds with the Federal Circuit's practice in cases such as this one. (Pet. at 16-18). JAC does not deny that the Federal Circuit's practice that requires conditional cross-appeals even where a legal finding is reversed on appeal conflicts with the decisions of the majority of Circuit Courts that have faced the issue in other contexts, with only one other Circuit agreeing with the Federal Circuit. (Pet. at 18-20) JAC does not discuss or even cite the eight patent cases that unanimously espouse a view of the question presented that is directly contrary to the view of the Federal Circuit. (Pet. at 19 n.4).

JAC fails to address all of these issues because Trinity's position is the correct one. The weight of authority of both this Court and other Circuit Courts strongly suggests that Trinity's Petition should be granted. The authority relied upon by Trinity so strongly favors its position that Trinity requests that this Court exercise its discretion pursuant to Sup. Ct. R. 16 to enter a summary disposition on the merits.

## I. Trinity did not Mislead this Court.

JAC contends that Trinity misled this Court by failing to disclose that Trinity filed a cross-appeal and then voluntarily dismissed that cross-appeal without filing a brief. This ad-hominem attack is much ado about nothing. It is meant to do nothing more than distract this Court from the important issue before it. As described in the introduction, JAC cannot and did not refute Trinity's position on the merits. JAC's weak position has caused it to attempt to hide from those merits.

Trinity did not intend to mislead this Court. The Federal Circuit, in its opinion denying rehearing, stated, "We conclude that, by failing to specifically appeal the finding of validity, Trinity has waived the issue." (App. 39-40). The opinion says nothing about the significance of the filing and dismissal of Trinity's cross-appeal prior to briefing. The issue before this Court is whether the waiver finding was correct, not how the waiver occurred. If a waiver did occur, it is irrelevant whether that waiver occurred by filing a conditional cross-appeal and dismissing it prior to briefing or by failing to file a conditional cross-appeal in the first place. Demonstrating this irrelevance, JAC never explains how Trinity's actions affect the merits of Trinity's Petition.[1] JAC merely asserts that this "material fact" was intentionally omitted without explaining how the fact is material.

JAC's motion for sanctions deserves little comment. Trinity's failure to discuss its dismissal of its cross-appeal is irrelevant to the issue before the Court. Trinity's Petition has merit and should be granted. Trinity is similarly at a loss to understand how JAC can allege that Trinity's Petition is frivolous when it cannot even refute Trinity's arguments and did not address most of them. JAC does not cite a *single* authority supporting the decision of the Federal Circuit in this case, other than prior Federal

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[1] Trinity chose to dismiss its cross-appeal mainly for the reasons discussed at pp. 16-18 of the Petition. JAC must agree that Trinity made the right choice as it alleges that an appeal by Trinity "would have been frivolous." (JAC Br. at 13). Trinity's voluntary dismissal of its cross-appeal further demonstrates the problems created by the Federal Circuit's failure to follow accepted procedural norms.

Circuit decisions. Specifically, JAC does not cite any decisions of this Court that contain reasoning consistent with the decision of the Federal Circuit. Nor does JAC cite any appellate decisions that are consistent with the decision of the Federal Circuit.

## II. The Judgment in this Case is a General Judgment in Favor of Trinity.

JAC implies in its brief that the district court entered a judgment finding that the patent was not invalid. (JAC Br. at 2, 8). In fact, there was no such judgment. The district judge entered only a single judgment in this case after trial, the one set forth at App. 33. JAC includes the Jury Verdict slip at pp. 3a-4a of its appendix, implying that the district judge attached the verdict slip to the judgment. This was not the case. The district court filed the judgment set forth at App. 33 as a separate one-page entry on the docket, without attaching the verdict. JAC failed to request clarification of the judgment in the district court and would now like to read something into it that is not there.

As this Court has often stated, appellate courts "review[ ] judgments, not opinions." *Chevron U.S.A. v. Natural Resources Defense Council,* 104 S. Ct. 2778, 2781 (1984). An obvious corollary is that appellate courts review judgments, not verdict slips. The judgment is what controls, not the jury verdict slip. Here, the district court ordered and adjudged: "That judgment be entered in favor of the defendant, Trinity Industries, Inc. Judgment is hereby entered in accordance with the above verdict." Thus, the judgment was a general one, akin to a

general verdict. In other words, the district court simply entered judgment that Trinity wins. The judgment says nothing about patent infringement or patent validity.

Judges often enter judgments in patent cases that make specific findings on validity and infringement based upon a jury verdict. The district judge chose not to do so here, instead entering a general judgment. *See Nestier Corp. v. Menasha Corp.*, 739 F.2d 1576, 1578 (Fed. Cir. 1984) (district court entered judgment of noninfringement and entered no judgment on jury verdict as to validity). Had JAC desired findings on specific issues, it could have filed a motion to modify the judgment. If the district judge intended to make a finding on validity, it would not have entered judgment "in favor" of Trinity because the entire judgment would not have been "in favor" of Trinity had such a finding been made.

Even if the district court had made a specific finding on validity, Trinity's Petition still would have merit. For the reasons explained in Trinity's Petition, Trinity could not have appealed a validity finding because Trinity would have had no legitimate complaint about the finding under the claim construction adopted by the district court. (Pet. at 13-17). Now, however, with the broader claim construction adopted by the Federal Circuit, new prior art becomes directly relevant and Trinity has a strong invalidity case to pursue. (Pet. at 14-16 and n.3). If a validity finding had been made and Trinity had pursued its cross-appeal, it could have done nothing more than argued that the validity finding was wrong in the event that the Federal Circuit decided to change the claim construction. (Pet. at 17). Accordingly, even if the district court had made a finding on validity, an appeal by Trinity

would have served as nothing more than the clearing of a meaningless procedural hurdle. The policy considerations underlying this Court's prior practices in such circumstances would all still be on point even if a validity finding was made. (*See* Pet. at 16-18).

## III. The Federal Circuit's Decision Conflicts with the Reasoning of Prior Decisions of this Court and with Decisions of other Regional Circuits.

As noted in the introduction, JAC has done little to refute the analysis in Trinity's Petition. One argument raised by JAC, however, deserves comment. JAC contends that non-patent cases cited by Trinity are irrelevant and that the Federal Circuit should be able to develop procedural rules to be applied only in patent cases. JAC's assertions do not survive closer scrutiny.

First, JAC cannot even distinguish the patent cases that Trinity has cited.[2] JAC merely makes a conclusory statement that the "instant case presents no conflict" with the holding in *Stelos Co. v. Hosiery Motor-Mend Corp.*, 295 U.S. 237 (1935). Such conclusory statements prove nothing. The reasoning in *Stelos Co.* is on point. Conditional cross-appeals are analogous to conditional cross-petitions

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[2] Strangely, JAC begins by discussing *Cardinal Chemical Co. v. Morton Intern., Inc.*, 508 U.S. 83 (1993). Trinity merely cited this case for the proposition that Federal Circuit procedural practice is important to the entire nation because the Federal Circuit hears all appeals in patent cases. (Pet. at 9). Of course, the issue before the Court transcends patent law and affects many areas of the law, particularly criminal sentencing. (Pet. at 19-20).

for certiorari and this Court's decision in *Stelos Co.* adopts reasoning in the later context completely at odds with the Federal Circuit's view in the former context. (Pet. at 11-12).[3]

In addition, JAC completely ignores the appellate opinions in patent cases issued by other Circuits prior to the creation of the Federal Circuit. Every Circuit to decide the issue prior to the creation of the Federal Circuit adopted a position opposite to that of the Federal Circuit in this case. (Pet. at 18-19 and n.4). If only patent cases are to be the measure of this procedural issue, as JAC argues, then the Petition should be granted and an opinion issued without oral argument. JAC can cite no authority of this Court in a patent case, nor of any other Circuit Court besides the Federal Circuit, that is consistent with the decision in this case.

Second, the issue is not unique to patent law. If it were, then the Federal Circuit's decision would have to be rejected as inconsistent with the reasoning of this Court's prior patent decisions and with the unanimous view of the other Circuit Courts prior to the creation of

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[3] Plainly, the procedural postures are analogous. Several Circuit Court decisions raising the exact issue presented in Trinity's Petition cite *Stelos*, apparently by analogy, to reach a conclusion opposite to that of the Federal Circuit in this case, but consistent with *Stelos*, *E.g.*, *Mannix Co. v. Healey*, 341 F.2d 1009, 1013 (5th Cir. 1965); *Maytag Co. v. Murray Corp.*, 318 F.2d 79, 80 (6th Cir. 1963); *Bede v. Baker & English, Inc.*, 274 F.2d 833, 835 (6th Cir. 1960); *Merco Norstrom Valve Co. v. W.M. Acker Org.*, 131 F.2d 277 (6th Cir. 1942).

the Federal Circuit. The reasoning of other cases, however, is equally valid in patent cases. This Court's decision in *American Ry. Express*, a decision upon which most of the later relevant cases are based, does not suggest that the issue should be treated differently in patent cases. Neither do the other authorities that Trinity relies upon. In fact, one of the patent cases cited by Trinity explicitly relies upon *American Ry. Express*.[4] The policy arguments offered by Trinity against the Federal Circuit's rule are equally applicable in patent cases as in all other cases. (*See* Pet. at 16-18). Trinity cites opinions of both this Court and the other Circuit Courts that address the procedural issue presented by this case. The reasoning in those opinions does not depend upon the particular substantive body of law; it depends upon the general policy considerations discussed by Trinity.

Third, there is nothing about patent cases that justifies abandonment of longstanding procedural practices mandated by this Court and adopted by the majority of Circuit Courts. Too often, the Federal Circuit ignores this Court's decisions and attempts to adopt its own view of the law. That is what led to this Court's decision in *Cardinal Chemical*. The comments of Federal Circuit Judge Mayer, dissenting from the denial of rehearing in a recent case are particularly insightful. "We are not the only ones who use the law and like our audience – the patent community, the district judges, and others – we are bound to interpret law according to specific rules. By violating these interpretive rules, or by exposing them to

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[4] *Guiberson Corp. v. Equipment Engineers*, 252 F.2d 431, 432 (5th Cir. 1958).

exceptions so that our court can amass decisionmaking authority without due deference to other actors in the process, we inappropriately encumber the process with ambiguity, which invites uncertainty in the law and which cannot help but to repay us with larger caseloads and disgruntled litigants." *CVI/Beta Ventures v. Tura LP*, 120 F.3d 1260 (Fed. Cir. 1997) (Mayer, J., dissenting). All Trinity asks is that the Federal Circuit follow this Court's procedural practices.

JAC gives little justification for adopting a special rule in patent cases, basically contending that a special rule is justified because validity and infringement are almost always issues in patent appeals. JAC's argument has some merit where the district court makes specific findings on validity and infringement and when the potential cross-appellant has some complaint about validity under the claim construction adopted by the district court and used to determine the validity question. In that context, a cross-appeal should be required under this Court's prior cases. The situation is different, however, if either (as are both true in this case) the district court fails to enter an explicit judgment on the validity issue or the claim construction changes on appeal, raising a very different validity issue as a result of the appeal. Thus, JAC's arguments really address the issue of whether cross-appeals may be necessary in the average case where claim construction does not change on appeal.

JAC makes no policy arguments as to why patent cases should be treated differently when a legal finding changes on appeal. The policy arguments applicable in other cases also apply in patent cases. When claim construction changes, an appeal would be nothing more than

a formality as remand would be required. (Pet. at 16-17). In addition, the appellee would be in the hopeless position of anticipating what the appellate court might do, rather than complaining of some specific error by the district court. (Pet. at 17). Finally, conditional cross-appeals would impose a burden on appellate courts of handling additional appeals. (Pet. at 17-18). These problems have nothing to do with the particular substantive body of law at issue in the appeal. There is no countervailing benefit to the Federal Circuit in following its practice. Because remand is required when claim construction changes on appeal (Pet. at 16-17), nothing is gained by the requirement. The conditional cross-appeal is a meaningless procedural hoop.

## CONCLUSION

For the reasons set forth herein and in Trinity's original brief, its Petition should be granted.

Respectfully submitted,

LARRY D. CARLSON*
ROBERT M. CHIAVIELLO, JR.
DAVID G. WILLE
BAKER & BOTTS, L.L.P.
2001 Ross Avenue
Dallas, Texas 75201-2980
Telephone: (214) 953-6500
*Attorneys for Petitioner*

**Counsel of Record*